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Olivier Serrat
Asian Development Bank

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Building Trust in the Workplace

Abstract
{Excerpt} Dictionary.com's first definition of trust is "reliance on the integrity, strength, ability, surety, etc., of a person or thing; confidence." The website prompts also that it is "the obligation or responsibility imposed on a person in whom confidence or authority is placed: a position of trust." Both definitions imply that trust is a relationship of reliance: indeed, a relationship without trust is no relationship at all.

Trust is therefore both an emotional and a rational (cognitive, calculative, and rational) act. The emotions associated with it include affection, gratitude, security, confidence, acceptance, interest, admiration, respect, liking, appreciation, contentment, and satisfaction, all of them necessary ingredients of psychological health. The logic of it is grounded inassessments of a party's dependability, which play a significant role in decisions to trust. As expected, there are different intensities to trust, depending on why one grants trust and why it is accepted: knowing the different types of trust informs decision making at each level.

Strangely, however, despite instinctive recognition of the importance of trust in human affairs, its conceptualization in the workplace remains limited in literature—but grew in the 1990s, while actions to foster it in that environment are still not readily discernible in practice.

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Comments
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Building Trust in the Workplace

Workplace dynamics make a significant difference to people and the organizations they sustain. High-performance organizations earn, develop, and retain trust for superior results.

by Olivier Serrat

Introduction

Dictionary.com's first definition of trust is "reliance on the integrity, strength, ability, surety, etc., of a person or thing; confidence." The website prompts also that it is "the obligation or responsibility imposed on a person in whom confidence or authority is placed: *a position of trust.*" Both definitions imply that trust is a relationship of reliance:[1] indeed, a relationship without trust is no relationship at all.

Trust is therefore both an emotional[2] and a rational[3] (cognitive, calculative, and rational) act. The emotions associated with it include affection, gratitude, security, confidence, acceptance, interest, admiration, respect, liking, appreciation, contentment, and satisfaction, all of them necessary ingredients of psychological health. The logic of it is grounded in assessments of a party's dependability, which play a significant role in decisions to trust. As expected, there are different intensities to trust, depending on why one grants trust and why it is accepted:[4] knowing the different types of trust informs decision making at each

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1 To be exact, trust is a prediction of reliance, derived from what a party knows about another.

2 The act of trusting exposes one's vulnerabilities to others in the belief that they will not take advantage of these.

3 The act of trusting involves assessing probabilities of profit and loss, calculating expected utility based on (past, current, and expected) performance, and concluding that the party in question will behave in a predictable manner.

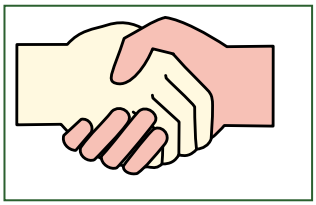
4 Roderick Kramer has identified six kinds of trust. *Dispositional trust* refers to an individual's predisposition to trust; it is based on experiences with relationships and the outlook on human nature that then guides decisions. *History-based trust* relies on the build up of interactions over time; expectations that are met increase trust while those that are unmet decrease it. *Third-party dependent trust* is a secondhand trust determinant; a large component of it is gossip, which means that trust is bolstered for some people and degraded for others depending on the subjective view of the gossiper. *Category-based trust* is anchored in membership of a group or organization; problems arise from blindly trusting members that one does not really know and excluding outsiders whom it may be more beneficial to trust. *Role-based trust* is founded on knowing that the person assigned to a job can fulfill its requirements; it owes more to reliance on the business processes that underpin the job than to trust in the person who performs it. *Rule-based trust* establishes a sense of normalcy in organization and elicits trust-binding force; it persuades us to take for granted that people will follow directives and behave in consistent, procedural ways. Other typologies of trust categorize deterrence-, calculus-, knowledge-, and identification-based trust.

level.[5]

Strangely, however, despite instinctive recognition of the importance of trust in human affairs, its conceptualization in the workplace remains limited in literature—but grew in the 1990s, while actions to foster it in that environment are still not readily discernible in practice.

Benefits

In organizations, business processes[6]—be they management, operational, or supporting processes—are conducted via relationships. Since trust among interacting parties is the foundation of effective relationships, it stands to reason that organizations can reap benefits from strengthening it. As a matter of fact, high-trust environments correlate positively with high degrees of personnel involvement, commitment, and organizational success. Decided advantages include increased value; accelerated growth; market and societal trust; reputation and recognizable brands; effortless communication; enhanced innovation; positive, transparent relationships with personnel and other stakeholders; improved collaboration and partnering; fully aligned systems and structures; heightened loyalty; powerful contributions of discretionary energy; strong innovation, engagement, confidence, and loyalty; better execution; increased adaptability; and robust retention and replenishment of knowledge workers. Nothing is as relevant as the ubiquitous impact of high trust.[7]



Trust as a Key Leadership Competency

In organizations, managers are initiators of trust and must play a central role in determining both its overall level and specific expectations within individual work units.[8] Their ability to establish, grow, extend, and restore trust is a key managerial competency. Some say that extending trust is the first job of any manager, to be conducted in ways that release the talent, creativity, capacity, and contribution of individuals and teams and enable them to give their best in synergy with others. The responsibilities of managers, in support of which they must harness vivid and compelling communications, cover at least five areas:

> *The leaders who work most effectively, it seems to me, never say "I." And that's not because they have trained themselves not to say "I." They don't think "I." They think "we"; they think "team." They understand their job to be to make the team function. They accept responsibility and don't sidestep it, but "we" gets the credit. This is what creates trust, what enables you to get the task done.*
>
> —Peter Drucker

- **Vision**. An organization's vision (and associated mission and strategic direction) is a statement of ambitious and compelling strategic intent that provides the emotional and rational energy for an organization's journey. If staff are to trust the organization, the vision must be

> *Set your expectations high; find men and women whose integrity and values you respect; get their agreement on a course of action; and give them your ultimate trust.*
>
> — John Akers

[5] Future research might investigate the ways in which types of trust—including their emotional and rational elements—combine and evolve. There is fertile ground too in examining the impact of cultural contexts on trust. From there, one might conceive of trust as a single (but nevertheless still complex) function, with the amount of trust given or received varying as the result of a combination of (i) characteristic similarity, (ii) experiences of reciprocity, and (iii) embedded predisposition to trust (generated by broad societal norms and expectations).

[6] A business process is a collection of related, structured activities or tasks that produce a specific service or product for a particular client.

[7] Conversely, the costs of mistrust include toxic cultures (office politics); dysfunctional working environments; redundant hierarchies (excessive layers of management, overlapping structures); punishing systems (complex and cumbersome policies, rules, regulations, procedures, and processes); poor company loyalty; decreased commitment; disengagement; low productivity; intense micromanagement; militant stakeholders; high employee turnover; and fraud.

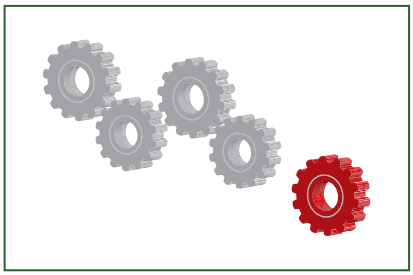
[8] Depending on the nature of their role relative to trust, they do so through the organizational form employed, vertical exchanges, the design and application of reward and control systems, and the flow of information, among others.

clear and represent an attainable stretch that emphasizes the importance of contributions in achieving it. It cannot be a statement that is devoid of action. The role of managers is to help individuals and teams translate the organization's vision into their own personal vision.

- **Values**. Values are beliefs or convictions that guide behavior to achieve the organization's vision.[9] They help define or describe the desired culture. They also convey what is important to the organization as well as what key practices and behaviors will be recognized and rewarded (or sanctioned). Trust pervades when—and only when—managers follow and support the organization's values; by publicizing and modeling these, they provide a benchmark for all staff.

> *I'm not upset that you lied to me, I'm upset that from now on I can't believe you.*
>
> —Friedrich Nietzsche

- **Work Environment**. The environment in which individuals and teams work contributes significantly to their perceptions of management and the extent they believe it cares about their welfare. Conditions that betray a lack of interest will create feelings of distrust. More important than physical amenities, however, is the atmosphere that exists in an organization: a negative atmosphere sows discontent throughout—personnel should be able to trust that management works to create an enabling environment.
- **Personnel.** Some of the more difficult decisions that managers make relate to hiring, firing, appraising, promoting, and transferring staff. If an organization is to build trust, such decisions must be based on factual, objective data. Personnel will scrutinize promotion decisions to determine whether management cares about performance and values. Poor decisions erode trust in management and leads staff to question why they work so hard to meet performance expectations if— it appears—performance does not really matter.
- **Compensation.** Few issues create as much argument and suspicion as compensation (and other benefits). For an organization's compensation system to be perceived as fair rather than manipulative, managers need to follow a consistent and honest approach by sharing salary ranges; reaching merit pay decisions based on actual performance; quantifying bonus, severance, and related systems transparently; conducting internal equity comparisons for same or similar jobs; and carrying out external market equity comparisons for critical jobs.



Enhancing Personal Credibility

Notwithstanding the responsibilities of management, earning, developing, and retaining trust in the workplace is an obligation for each member of the organization. The key principle undergirding ability to set and accomplish objectives, keep commitments, and "walk the talk" is credibility, which intimates to others that one is trustworthy. Credibility is made of four attributes of character and competence:[10]

- **Integrity.** According to Dictionary.com, integrity is "adherence to moral and ethical principles; soundness of moral character; honesty." Men and women who are imbued with integrity stand for something, make and keep commitments to themselves, and remain open. Time and again, this may require courage.
- **Intent.** Intent refers to motives, agendas, and resulting behaviors. Trust grows when all three are candid and based on mutual interest.

> *There are seven social sins: politics without principles; wealth without work; pleasure without conscience; knowledge without character; commerce without morality; science without humanity; worship without sacrifice.*
>
> —Mohandas K. Gandhi

[9] Typical corporate values emphasize innovation, excellence, service, integrity, respect, bias for action, or teamwork, often in the form of small statements.

[10] Because credibility is the sum of integrity, intent, capabilities, and results, it is possible to score high in some of these foundational elements but low in others.

- **Capabilities.** Capabilities are the talents, attitudes, skills, knowledge, and styles we leverage to deliver results. Capable people know where they are going, run with their strengths (and compensate for weaknesses), and keep themselves relevant.
- **Results.** Results crown credibility to offer visible, tangible, and measurable contributions that can be evaluated by others. Results are delivered by performers who expect to win, take responsibility for results, and finish strong.

Table: Committing to Build Organizational Trust

	Behavior	Current Performance	Opposite/Counterfeit
Character	Talk Straight	|_____|_____|_____|_____|	Lie, spin, tell half-truths, double-talk, flatter.
	Demonstrate Respect	|_____|_____|_____|_____|	Don't care or don't show you care; show disrespect or show respect only to those who can do something for you.
	Create Transparency	|_____|_____|_____|_____|	Withhold information; keep secrets; create illusions; pretend.
	Right Wrongs	|_____|_____|_____|_____|	Don't admit or repair mistakes; cover up mistakes.
	Show Loyalty	|_____|_____|_____|_____|	Sell others out; take the credit yourself; sweet-talk people to their faces and bad-mouth them behind their backs.
Competence	Deliver Results	|_____|_____|_____|_____|	Fail to deliver; deliver on activities, not results.
	Get Better	|_____|_____|_____|_____|	Deteriorate; don't invest in improvement; force every problem into your one solution.
	Confront Reality	|_____|_____|_____|_____|	Bury your head in the sand; focus on busywork while skirting the real issues.
	Clarify Expectations	|_____|_____|_____|_____|	Assume expectations or don't disclose them; create vague and shifting expectations.
	Practice Accountability	|_____|_____|_____|_____|	Don't take responsibility: "It's not my fault!"; don't hold others accountable.
Both	Listen First	|_____|_____|_____|_____|	Don't listen; speak first, listen last; pretend to listen; listen without understanding.
	Keep Commitments	|_____|_____|_____|_____|	Break commitments; violate promises; make vague and elusive commitments or don't make any commitments.
	Extend Trust	|_____|_____|_____|_____|	Withhold trust; fake trust and then snoopervise; give responsibility without authority.

Source: Stephen Covey. 2006. *The Speed of Trust: The One Thing that Changes Everything*. Free Press.

Further Reading

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For further information

Contact Olivier Serrat, Head of the Knowledge Management Center, Regional and Sustainable Development Department, Asian Development Bank (oserrat@adb.org).

Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two thirds of the world's poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

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Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444
knowledge@adb.org
www.adb.org/knowledgesolutions